

DROUGHT RESILIENCY AND PREPAREDNESS UPDATE

COLORADO RIVER SHORTAGE AWARENESS

The City relies primarily on treated surface water to meet the demands of Tempe's Water Service Area. The majority of Tempe's surface water is supplied by Salt River Project (SRP).

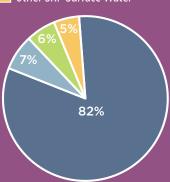
Over the last two decades, large portions of the southwestern United States have experienced various levels of drought. Drought can reduce the amount of annual runoff from watersheds, which can reduce the supply of available surface water.

Tempe is prepared to meet potential water supply challenges through the following actions:

- · Closely monitoring drought conditions.
- Maintaining a robust and resilient water resources portfolio.
- Operating an effective Water Conservation and Efficiency program.



- SRP Surface Water Member Supply
- Safe-yield Groundwater
- CAP Supply
- Other SRP Surface Water



Tempe's SRP and Central Arizona Project (CAP) surface water supplies are managed to avoid significant shortages. However, one area of concern is the ongoing drought in the Colorado River System. The Colorado River
Watershed is divided into
two basins and covers
portions of seven western
states and Mexico. The
river is managed by the
United States Bureau of
Reclamation and significant
federal resources are
invested in monitoring and
communicating drought
status, runoff conditions
and shortages.

The Colorado River System supports nearly five and one-half million acres of farmland and provides water to more than 40 million people in the western United States and Mexico.



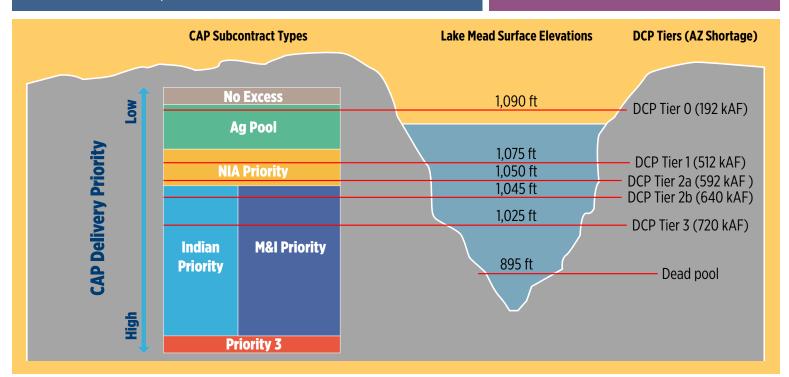
In the mid-2010s, the Colorado River System began experiencing difficulties maintaining the storage level at 50 percent.

Colorado River Drought Contingency Plan (DCP):

- The Federal Government and seven basin states developed agreements to take reductions in Colorado River supplies in the event of droughts or shortages.
- Supply reductions relate to the surface elevation of Lake Mead.
- The DCP is intended to prevent conditions that would restrict operation of the Colorado River System.

DCP Tiers:

- In 2021, the Colorado River System remains in DCP Tier 0 shortage.
- In 2022, DCP Tier 1 shortage is becoming more likely.



A potential reduction is difficult to predict, but CAP and water managers estimate the impact to Tempe's CAP allocation by DCP Tier as indicated in this table.

Estimated Impact to Tempe's CAP Supplies by DCP:

- CAP represents a small portion of Tempe's annual available surface water supplies, approximately five to ten percent.
- Tempe's overall average day demands are 44 million gallons per day.
- Tempe has sufficient resources to meet demands, even in the event of DCP Tier 3 shortage.

DCP Tier shortage	Estimated reduction in Tempe's CAP allocation	
	Percentage	Million gallons per day
Tier 0	0%	0.00
Tier 1	0.2%	0.01
Tier 2a	0.5%	0.02
Tier 2b	3.4%	0.14
Tier 3	11.3%	0.45

Municipal Utilities is committed to providing the quantity and quality of water services necessary to all of Tempe, and to managing our urban water environment to ensure that the quality of life in Tempe is sustained.

Additional information regarding Colorado River
Shortage Awareness can be found
in the February 19, 2021,
City Council Weekly Information Packet.